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FOR IMMEDIATE RELEASE

Terry Goddard Announces Settlement with Money Transfer Company

(Phoenix, Ariz. – July 2, 2008) Attorney General Terry Goddard today announced an agreement with Minneapolis-based MoneyGram Payment Systems, Inc. (MoneyGram), that will establish a \$1.1 million fund to help educate consumers about using money wire services. Goddard joined 43 other states and the District of Columbia in this agreement.

Under the agreement, in the form of an Assurance of Voluntary Compliance (AVC), MoneyGram will fund the \$1.1 million national consumer awareness program and set out very prominent consumer warnings on the forms used by consumers to wire money.

MoneyGram offers money transfer services by wire at over 25,000 locations in the United States and over 100,000 locations around the world, including grocery stores, gas stations and other retail businesses.

The agreement resolves concerns about the high number of "fraud-induced money transfers" wired by consumers to fraudulent telemarketers and other scam artists. One example includes a "lottery" scam used by telemarketers who tell consumers they have won a large sum of money but must pay taxes or other charges to claim the winnings. The victims are asked to send money by wire, because wire transfers are fast, convenient and funds can be picked up in multiple locations.

"This agreement is important in the fight against consumer fraud," Goddard said. "We need to make it harder for the scam artists to use traditional methods of transferring money, and agreements like this one are steps in the right direction."

According to the agreement, MoneyGram will:

- Include prominent warnings to consumers about the dangers of fraud-induced wire transfers. The warnings will be in English and Spanish on the front page of MoneyGram's Send Form. The company will provide comparable warnings for telephone and Internet transfers. The warning is to occupy at least 40 percent of the Send Form's front page.
- MoneyGram will pay \$1.1 million for a national consumer education program on how to avoid fraud-induced transfers. The fund will be overseen by the AARP Foundation.

- MoneyGram will continue its current policy of reimbursing the amount of any transfer to a consumer who requests, prior to pickup, that the transfer be stopped, and of reimbursing transfer fees as well if the consumer reasonably claims that the transfer was fraud-induced.
- MoneyGram will send anti-fraud messages to its agents electronically every month or whenever a proposed transfer exceeds a certain amount, enhance the company's agent anti-fraud training programs and provide special training to agents with elevated fraud levels at their locations.
- MoneyGram will take appropriate action to suspend or terminate agent locations that are involved in fraud or do not take reasonable steps to reduce fraud.
- MoneyGram will block wire transfers from specific consumers or to specific recipients when the company receives information from a state that there are good faith grounds to believe that fraud will occur, until such time as the consumer is counseled on fraud and requests resumption of the transfer.
- MoneyGram will ensure that money transfers sent from the United States can only be picked up in the country designated by the sender, with a potential extension of this policy to the state or provincial level if the pickup of fraud-induced transfers in states or provinces to which consumers do not intend to send money becomes a significant problem in the future.

In the agreement, Goddard joined Attorneys General from Alabama, Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wyoming and the District of Columbia.

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